



<http://www.montgomerycountymd.gov/permitting-services/>

DEVELOPMENT IMPACT TAX CHANGES

EFFECTIVE DECEMBER 1, 2007

WHAT IS A DEVELOPMENT IMPACT TAX?

It is the tax, set by the Montgomery County Council, assessed on new residential and commercial buildings and additions to commercial buildings in the county to fund, in part, the improvements necessary to increase the transportation or public school systems capacity, thereby allowing development to proceed.

WHAT CHANGES HAVE BEEN MADE TO THE DEVELOPMENT IMPACT TAX LAW?

Major changes have been made in the Impact Tax Law. These changes go into effect for building permits applied for on and after DECEMBER 1, 2007. The Transportation and School impact tax rates have been increased. For residential developments with 30% or more affordable housing units (defined as moderately priced dwelling units and units for lower income-eligible resident), the market rate units are charged at 50% the applicable tax rate.

A new category, "Social Service Agency", has been added. This rate would apply to non-profit organizations that primarily service Montgomery County residents.

HOW DO THESE CHANGES APPLY TO MY RESIDENTIAL PROJECT?

If you submit an application for a building permit for residential development (single –family detached, single-family attached, multifamily, high-rise, multifamily senior) on or after DECEMBER 1, 2007, you will be assessed the Transportation and the School Impact taxes at the new rates.

WHAT IS A HIGH-RISE?

High-rise unit includes any dwelling unit located in a multifamily residential or mixed-use building that is taller than 4 stories, and any 1 bedroom garden apartment.

IF I FILE AN APPLICATION FOR A BUILDING PERMIT FOR A SINGLE FAMILY DWELLING PRIOR TO DECEMBER 1, 2007 AND DECIDE TO CHANGE THE HOUSE TYPE ON OR AFTER DECEMBER 1, 2007, WHAT IMPACT TAXES WILL BE ASSESSED?

In this case, you will be required to file a new application for a building permit and you will be assessed impact tax fees (both Transportation Impact Fees and School Impact Fees) that are in effect the date you file the new application.

WHERE CAN I FIND OUT MORE ABOUT THESE CHANGES?

Additional information on the changes in the Impact Tax laws can be found at the following web site:

<http://www.montgomerycountymd.gov/cs/ltmpl.asp?url=/content/council/packet/index.asp>

Questions concerning impact-tax collections may be directed to DPS at 240 777-6300.

NEW AND REVISED IMPACT TAXES EFFECTIVE JULY 1, 2009

Additional information on the Impact Tax laws can be found at the following web site:

<http://www.montgomerycountymd.gov/csltmlpl.asp?url=/content/council/packet/index.asp>

Questions concerning impact-tax collections may be directed to DPS at 240 777-6300.

Applicants for building permits for residential developments filed on and after July 1, 2009, will be assessed the tax rates are below:

Dwelling Type	School Impact Tax Per Dwelling Unit
Single-family detached	\$21,920
Single-family attached	\$16,503
Single Family house surcharge	\$2 per square foot of gross floor area that exceeds 3,500 square feet, to a maximum of 8,500 square feet)
Multifamily (except high-rise)	\$10,431
High-rise	\$4,422
Multifamily senior	\$0

In the event the school cluster has exceeded the 105% school program capacity, applicants will be required to pay a per unit School Facilities payment.

School Type	Cost per student	student generation rate/ school level / unit type			
		Single Family Detached [SFD]	Single Family Attached [SFA]	Multi Family Garden apt.	High/low rise w/parking
Elementary School Student Generation Rate x Cost of Seat	\$19,514	0.3200	0.2110	0.1530	0.0420
Middle School Student Generation Rate x Cost of Seat	\$25,411	0.1440	0.1220	0.0560	0.0390
High School Student Generation Rate x Cost of Seat	\$28,501	0.1310	0.1070	0.0390	0.0330
ES facilities payment		\$6,244.48	\$4,117.45	\$2,985.64	\$819.59
MS facilities payment		\$3,659.18	\$3,100.14	\$1,423.02	\$991.03
HS facilities payment		\$3,733.63	\$3,049.61	\$1,111.54	\$940.53
facilities payment if 3 school levels are over 105% capacity		\$13,637.30	\$10,267.20	\$5,520.20	\$2,751.15

In addition to the School Impact Tax, applicants for building permits in a residential development must also pay the Transportation Impact Tax.

Building Type	Metro Station	Clarksburg	General
Single-Family detached residential (per dwelling unit)	\$5,706	\$17,116	\$11,411
Single-Family attached residential (per dwelling unit)	\$4,669	\$14,005	\$9,337
Multifamily residential (Garden apartments) (per dwelling unit)	\$3,630	\$10,891	\$7,261
High-rise residential (per dwelling unit)	\$2,593	\$7,781	\$5,186
Multifamily-senior residential (per dwelling unit)	\$1,037	\$3,112	\$2,075
Office (per sq. ft. GFA)	\$5.20	\$12.50	\$10.40
Industrial (per sq. ft. GFA)	\$2.60	\$6.20	\$5.20
Bioscience facility (per sq. ft. GFA)	\$0	\$0	\$0
Retail (per sq. ft. GFA)	\$4.65	\$11.20	\$9.30
Place of worship (per sq. ft. GFA)	\$0.30	\$0.75	\$0.55
Private elementary and secondary school (per sq. ft. GFA)	\$0.40	\$1.10	\$0.85
Hospital (per sq. ft. GFA)	\$0	\$0	\$0
Social Service Agency	\$0	\$0	\$0
Other nonresidential (per sq. ft. GFA)	\$2.60	\$6.20	\$5.20